

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Industrial Promotion – Extension of special package of incentives under Mega project concept of Industrial Investment Promotion Policy (IIPP) 2010-15 to M/s.GERDAU Steel India Limited, for their expansion and diversification project in Anantapur District –Orders- Issued.

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**INDUSTRIES & COMMERCE (IP) DEPARTMENT**

G.O.Ms.No. 82

Dated:24.05.2014  
Read the following:

1. From M/s.GERDAU Steel India Limited, Letter,dt.11.07.2013.
2. The State Investment Promotion Committee Meeting held on 22.08.2013
3. The State Investment Promotion Board Meeting held on 18.01.2014

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**ORDER:-**

In the letter 1<sup>st</sup>read above, M/s.GERDAU Steel India Limited has informed that they propose to setup a new "Coke Oven Plant with 15 MW Captive Power Plant, Sinter Plant and Rolling Mill" at Jambulapadu(Village), Tadipatri (Mandal) in Anantapur District, under expansion and diversification project with a new Foreign Direct Investment of Rs.1270.00 Crore and creating employment to 2273 persons direct and indirect.

2. M/s.GERDAU Steel India Limited has requested the Government for the following Incentives/ benefits:

- (a). 100% Gross Exemption (refund) from payment of CST /GST /VAT for a period of 14 years from the date of notification on all the products made by the company including by products in accordance with the incentives originally sanctioned.
- (b). Reimbursement of Fixed power cost @ Rs.0.75 per unit as per the existing policy for a period of 10 years.
- (c). 100% exemption of electricity duty on captive generation for next 10 years.
- (d). Infrastructure facilities for 132 KV Transmission Line from Tadipatri Substation to existing tapping point (ChallavaripalliVillage, Tadipatri costing Rs.25.00 Crore.
- (e). All other incentives as per Policy.

3. In the reference 2<sup>nd</sup>read above, the State Investment Promotion Committee (SIPC) have discussed the proposal of M/s.GERDAU Steel India Limited,Anantapur District and recommended the following incentives, under Industrial Investment Promotional Policy 2010-15:

- (a) 50% VAT/CST reimbursement for a period of 5 years from the date of commencement of commercial production only on the end product such as Bars and Rods and no tax incentives will be allowed on intermediates products like Coke, Sinter output Pig Iron.
- (b) All other incentives as per Industrial Investment Promotional Policy 2010-15 policy.

4. In the reference 3<sup>rd</sup>read above, the State Investment PromotionBoard (SIPB) has discussed the proposal of M/s.GERDAU Steel India Limited, Anantapur District in detail and decided to extend the following incentives:

- (a) 50% net VAT/CST reimbursement for a period of 5 years from the date of commencement of commercial production restricted to an investment of Rs.1270 Cr (new investment made under expansion and diversification) only on the end products such as Bars and Rods and no tax incentives will be allowed on intermediate products like Coke, Sinter output Pig Iron.
- (b) All other benefits as per Industrial Investment Promotion Policy 2010-15.

5. Government after careful examination of the proposal and the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s.GERDAU Steel India Limited to set up their "new Coke Oven Plant with 15 MW Captive Power Plant, Sinter Plant, and Rolling Mill" under diversification and expansion project at Jambulapadu(V), Tadipatri(M) in Anantapur District, under Industrial Investment Promotion Policy 2010-2015 taking into consideration the new investment of Rs.1270 Cr of FDI:

- (a) 50% net VAT/CST reimbursement for a period of 5 years from the date of commencement of commercial production restricted to an investment of Rs.1270 Cr (new investment made under expansion and diversification) only on the end product such as Bars and Rods and no tax incentives will be allowed on intermediate products like Coke, Sinter output Pig Iron. **Nopower cost Reimbursement will be extended to all types of Integrated Steel Plants.**
- (b) All other incentives as per Industrial Investment Promotion Policy 2010-15 policy, which include:
  - (i) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
  - (ii) 100% reimbursement of Stamp duty for Lease of Land/Shed/buildings and also mortgages and Hypothecations; and
  - (iii) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.

6. The Commissioner of Industries, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to Government.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**K. PRADEEP CHANDRA,  
SPECIAL CHIEF SECRETARY TO GOVERNMENT AND  
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To  
The Commissioner of Industries, A.P., Hyderabad.  
M/s.GERDAU Steel India Limited, through the Commissioner of Industries,  
AP, Hyd.  
Copy to:  
The Revenue (CT) Department.  
The Revenue (Registration) Department.  
The Energy Department.  
The Irrigation (Reforms) Dept.

The Law(J) Department  
The Accountant General, Andhra Pradesh, Hyderabad  
The Commissioner of Commercial Taxes, Hyderabad  
The Chairman & Managing Director, APTRANSCO.,Hyderabad  
The Managing Director, APCPDC Ltd., Hyderabad.  
The Vice Chairman & Managing Director, APIIC, Hyderabad.  
The District Collector, Anantapur District.  
The General Manager, District Industries Centre, Anantapur District.  
P.S. to Principal Secretary to Chief Minister  
P.S. to Hon'ble Minister(Major Industries)  
P.S. to Chief Secretary to Government  
P.S. to Spl. Chief Secretary to Government & CIP, Ind& Com Dept.  
SC/SF.

//FORWARDED: BY ORDER//

SECTION OFFICER